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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

February 27, 2017

REVENUE MEMORANDUM CIRCULAR NO. 22-2017

SUBJECT : Publishing the Daily Minimum Wage Rates in Region VIII Pursuant to Wage Order No. RB – VIII-19

TO : All Internal Revenue Officials, Employees and Others Concerned

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For the information and guidelines of all internal revenue officers, employees and others concerned, we are publishing Wage Order No. RB VIII -19 which was issued on December 19, 2016 and published at Leyte Samar Daily Express on January 28, 2017:

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Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Board No. VIII
Tacloban City

WAGE ORDER NO. RB VIII-19

PRESCRIBING A NEW MINIMUM WAGE STRUCTURE FOR EASTERN VISAYAS

WHEREAS, the Regional Tripartite Wages and Productivity Board – Region VIII (RTWPB 8) is mandated under R.A. No. 6727 (The Wage Rationalization Act of 1989) to determine and fix minimum wage rates applicable in their region, provinces or industries therein and to issue the corresponding wage orders, periodically assess wage rates and conduct continuing studies in the determination of the minimum wage applicable in the region or industry;

WHEREAS, in consonance with the aforementioned mandate, the Regional Tripartite Wages and Productivity Board-Region VIII (herein referred to as the Board), continuously adopts the Two-Tiered Wage System (TTWS) in the exercise of its minimum wage function recognizing the need to improve workers' productivity and income, enhance enterprise competitiveness, generate jobs and strengthen the link between pay and productivity;

WHEREAS, in the exercise of its wage-fixing function, the Board "motu proprio" conducted sectoral wage consultations in Ormoc City and Catbalogan City, on August 10 and 23, 2016, respectively;

WHEREAS, a regional public hearing on 12 October 2016 was conducted to gather inputs from the public at large on wage concerns that will guide the Board in its review of the current minimum wage rates in the region. The notice of the public hearing was published on 26 September 2016 in the "Sunday Punch", a local newspaper of general circulation in the region;

WHEREAS, the results of the consultations and public hearing as well as the review of socio-economic indicators revealed that there is a need to increase the minimum wage in Eastern Visayas without impairing the viability of businesses in the region;

WHEREAS, the effects of Super Typhoon Yolanda and the successive subsequent typhoons to hit the region, has caused a very slow growth in the Agriculture Sector more so to smaller farms and in the Retail/Service sector employing not more than 30 workers. Hence there is a need: a) For the sub-classification of Agriculture into Non-Sugar and Sugar Farm; b) Merger of Sugar Mills to Non-Agriculture; c) To sub-classify Retail/Service into Employing 10 workers and below and Employing 11 up to 30 workers.

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, known as the Wage Rationalization Act, as amended by R.A. 8188, the Regional Tripartite Wages and Productivity Board, Eastern Visayas (RTWPB VIII) hereby issues this Wage Order;

Section 1. <u>SECTOR/INDUSTRY RECLASSIFICATION AND WAGE INCREASES</u>. Upon effectivity of this Wage Order, the industry/sector classifications shall be reclassified, as follows:

1.1 Sectoral/Industry Classifications

Sector/Industry
NON-AGRICULTURE (Including Sugar Mills)
COTTAGE/HANDICRAFT
RETAIL/SERVICE Employing 30 workers and below Employing 11 up to 30 workers
AGRICULTURE Non-Sugar Sugar Farm

1.2 COLA under Wage Order No. RB VIII-17.

All workers in the private sector in Eastern Visayas receiving the basic wage rates prescribed herein shall continue to receive the SEVEN PESOS (P7.00) COLA prescribed in Wage Order No.VIII-17.

1.3 Increase.

There shall be an increase in the basic wage, as follows:

a. P25.00 per day for Non-Agriculture, except as stated hereunder;
b. P23.00 per day for Sugar Mills (now merged to Non-Agriculture);
c. P15.00 for Cottage/Handicraft;
d. P10.00 for Retail/Service Employing 10 workers and below;
e. P15.00 for Retail/Service Employing 11 up to 30 workers;
f. P10.00 for Agriculture Non-Sugar; and
g. P10.00 for Agriculture Sugar Farm.

Sector/Industry	Basic Minimum Wage Rates under WO No. RB VIII-18	Amount of Increase in Basic Minimum Wage under WO No. RB VIII-19	New Daily Basic Minimum Wage Rates upon effectivity	COLA under Wage Order No. RB VIII-17	New Daily Minimum Wage Rates
NON-AGRICULTURE	253.00	25.00	278.00	7.00	285.00
(Including Sugar Mills)	255.00	23.00	278.00	7.00	285.00
COTTAGE/HANDICRAFT	231.00	15.00	246.00	7.00	253.00
RETAIL/SERVICE					
Employing 10 workers and below	228.00	10.00	238.00	7.00	245.00
Employing 11 up to 30 workers	253.00	15.00	268.00	7.00	275.00
AGRICULTURE					
Non-Sugar	234.00	10.00	244.00	7.00	251.00
Sugar Farm	228.00	10.00	238.00	7.00	245.00

SECTION 3. BASIS OF WAGE INCREASE. The Minimum Wage Rates prescribed under this order shall be for the normal eight-hour work day.

SECTION 4. COVERAGE. The wage rates per worker prescribed under this Order shall apply to all minimum wage earners in the private sector in the Region, regardless of their position, designation or status of employment and irrespective of the method by which they are paid.

Not covered are kasambahay/domestic workers, persons in the personal service of another, including family drivers, and workers of duly registered Barangay Micro Business, Enterprises (BMBEs) with Certificate of Authority pursuant to Republic Act No. 9178, as amended.

SECTION 5. EXEMPTION. No exemption from compliance under this Order shall be allowed. However, in case of a calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural and/or human-included disasters, subject to the NWPC Guidelines No.02, Series of 2007 as amended by NWPC Resolution No. 01, Series of 2014.

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SECTION 6. WORKERS PAID BY RESULTS. All workers paid by result, including those who are paid on piecework, takay, pakyaw or task basis, shall be entitled to receive the prescribed new minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours a day.

SECTION 7. WAGES AND COLA OF SPECIAL GROUPS OF WORKERS. The minimum wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed herein.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the prescribed minimum wage rates and COLA prescribed herein.

SECTION 8. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2016-2017 shall be considered as compliance with the wage increase prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be complied with starting school year 2017-2018.

Private educational institutions which have not increased their tuition fees for school year 2016-2017 may defer compliance with the minimum wage prescribed herein until the beginning of school year 2017-2018.

In any case, all private educational institutions shall implement the minimum wage prescribed herein starting school year 2017-2018.

SECTION 9. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increase under this Order shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed increase, the construction/ service contractor shall be jointly and severally liable with his principal or client.

SECTION 10. PRODUCTIVITY-BASED WAGES. To attain higher levels of productivity for competitiveness, to preserve and generate gainful employment and to augment the incomes of workers, business enterprises are encouraged to adopt productivity improvement and gain-sharing programs.

SECTION 11. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal with the National Wages and Productivity Commission (NWPC) through the Board within ten (10) calendar days from the publication of this Order.

SECTION 12. EFFECT OF FILING OF APPEAL. The filing of the appeal does not stay the Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for the payment of the corresponding increase to employees affected by the Order in the event such Order is affirmed.

SECTION 13. CREDITABLE WAGE INCREASES. Wage increases provided/granted by an employer in an organized establishment within three (3) months prior to the effectivity of the Order shall be credited as compliance with the prescribed allowance set forth therein, provided that an agreement to this effect has been forged between the parties or a provision in the Collective Bargaining Agreement allowing creditability exists. In the absence of such an agreement of provision in the CBA, any increase granted by the employer shall not be credited as compliance with the increase prescribed in this Order.

In case the increases given are less than the prescribed allowance, the employer shall pay the difference. Such increases shall not include anniversary increases, merit wage increases and those resulting from the regularization of employees.

SECTION 14. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the new minimum wage rates results in the distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Article 124 of the Labor Code as amended.

SECTION 15. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subjected to the mandatory thirty days (30) conciliation and mediation

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process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

SECTION 16. NON-DIMINUTION OF BENEFITS. Nothing in this Order shall be construed to reduce any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers.

SECTION 17. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

SECTION 18. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board, as provided by Article 126 of R.A. 6727.

SECTION 19. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms, enterprises or industries from bargaining for higher wages with their respective employers.

SECTION 20. REPORTING REQUIREMENT. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2017 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

SECTION 21. REPEALING CLAUSE. All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

SECTION 22. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid.

SECTION 23. IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Order subject to the approval of the Secretary of Labor and Employment.

SECTION 24. ADVISORY ON PERFORMANCE-BASED PAY. In line with the two-tiered wage system wherein the 1st tier is the mandatory wage adjustment prescribed in this Wage Order, the Board shall issue an advisory on the 2nd tier or the performance-based pay which shall serve as guidelines for private establishments on the range of productivity bonuses and incentives that an enterprise or industry may provide based on agreement between workers and management.

SECTION 25. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Region.

Approved this 19th day of December 2016.

ORLANDO C. UY
Employers' Representative

MIGUEL T. TEZON
Workers' Representative

EFREN M. GABRIOLA
Workers' Representative

BONIFACIO G. UY
Vice-Chair, NEDA

CYNTHIA R. NIERRAS
Vice-Chair, DTI

ELIAS A. CAYANONG
Chairman

All concerned are hereby enjoined to be guided accordingly and to give this Circular as wide a publicity as possible.

CAESAR R. DULAY
Commissioner of Internal Revenue

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